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# URANCE FOR ALL AND EVERYTHING

BY **Sir WILLIAM BEVERIDGE, K.C.B.**

"THE NEW WAY" SERIES

Nº 7.

UC-NRLF



LB 240 133

PRICE SIXPENCE.

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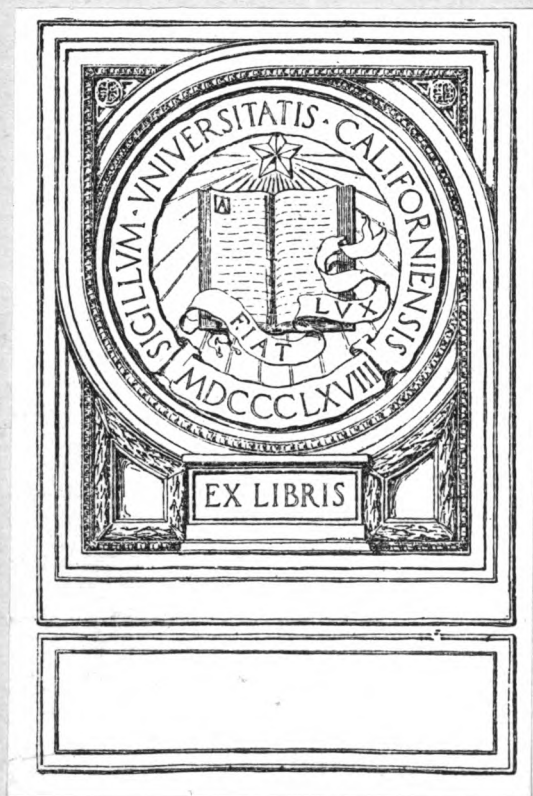


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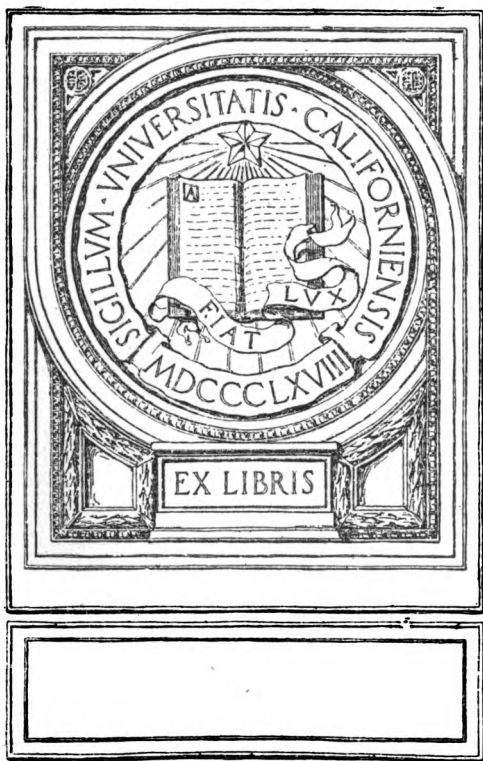
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**"THE NEW WAY" SERIES.**

UNIV. OF  
CALIFORNIA

VII.

**Insurance for All  
and Everything**

*By*

**SIR WILLIAM BEVERIDGE, K.C.B.**

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**NOTE.**

*In these post-war years, all accepted political doctrines are undergoing challenge, and a vast number of intelligent people have lost the anchorage of political principle, and are drifting in bewilderment on a sea of conflicting ideas.*

*The pamphlets of which this is one are designed as a contribution towards clarifying this confusion. They are issued under the auspices of the Council of the Liberal Summer Schools. But they are not intended to preach a rigid party orthodoxy. Their aim is constructive study and enquiry rather than dogmatic assertion or acrid denunciation. Some of the writers are not even professed adherents of the Liberal party. But all have been invited to write because they have given special study to the subjects with which they have to deal. And all are united by two beliefs: the first, a deep dissatisfaction with many aspects of the existing order, at home and abroad; the second, a conviction that these evils cannot be cured by the glib repetition of sweeping formulæ, or by violence or class-conflict, or by mere destruction, but only by hard thinking and good will.*

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# INSURANCE FOR ALL AND EVERYTHING

*This brief survey of existing schemes and projects of Social Insurance has been prepared under circumstances of great pressure. The statistics and the estimates of cost are rough approximations only. The proposals for reform put forward are made rather as suggestions for discussion than as dogmatic assertions of the only possible line of improvement.*

*I venture to believe, however, that detailed enquiry would only confirm my main statistical and financial conclusion—that the money at this moment being devoted to Social Insurance is sufficient, if properly used, to provide not only for present needs but for all extensions of the system now urgently required. The proposals for reform, whether they themselves are accepted or not, will have served their turn if, at this juncture, they suggest how large is the field for social legislation and administration, within which there is not or need not be any serious difference between any of the political parties.*

W. H. B.

January, 1924.

**W**HEN some fifteen years ago I set out to write a book about unemployment, I discovered, as young authors do, excellent reasons for describing the particular question in which I was interested as the most important of all questions of the day. "The problem of unemployment," I wrote, "lies in a very special sense at the root of most other social problems. Society is built up on labour; it lays upon its members responsibilities which in the vast majority of cases can be met only from the reward of labour; it imprisons for beggary

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#### 4. Insurance for All and Everything.

and brands for pauperism ; its ideal unit is the household of man, wife, and children maintained by the earnings of the first alone. The household should have at all times sufficient room and air according to its size—but how, if the income is too irregular always to pay the rent ? The children, till they themselves can work, should be supported by the parents—but how, unless the father has employment ? The wife, so long, at least, as she is bearing and bringing up children, should have no other task—but how, if the husband's earnings fail and she has to go out to work ? Everywhere the same difficulty recurs. Reasonable security of employment for the bread-winner is the basis of all private duties and all sound social action." This passage was right, I think, in emphasising the connection between income and responsibilities, between continuous earning and eating. It was too narrow in concentrating attention on one alone of the possible interruptions of continuous earning, namely, unemployment. There are many possible causes of such interruption at the present time ; many causes which may make it impossible for the citizen and householder, through no fault of his own, to fulfil his responsibilities. Four of these causes are of sufficient importance to have given rise in this country to separate schemes of social insurance, and a fifth is on the threshold of action.

✓ The first is industrial accident, the sudden misfortune in the course of employment which may mean a week's disablement or may cripple for life or destroy life itself.

✓ The second is sickness, bringing temporary or prolonged incapacity for work before old age is reached.

✓ The third is unemployment—inability to find work for wages though one is anxious to do so and capable of work if found. Before the reports of the Poor Law Commission in 1909, it was common enough to hear the suggestion that unemployment

consisted wholly or mainly of the idleness of the unemployable. Now this view is finally discredited.

✓The fourth is old age. The need to spend and to consume persists to the end of human life, however long. Earning power, even without specific disease, usually stops before then.

✓The fifth is widowed motherhood. Strictly speaking, interruption of earning comes from motherhood itself, which means not simply bringing children into the world, but bringing them up till they can stand on their own feet. But so long as the father lives the need is met, or should be met, by his earnings or in his insurance when those earnings fail. For his death, through any cause but industrial accident or industrial disease, no general provision has yet been made.

### **Modern Social Risks.**

In all these five ways, by industrial accident, sickness, unemployment, old age, or by the death of the breadwinner, the income of the family through current earning may be destroyed permanently or for a time. They are all threats to security, risks of economic life, disorders endemic in modern society. They are disorders of society rather than of the individual, that is to say, they may and do affect perfectly normal persons; the problem of abnormal persons is here left out of account. They are also to a large extent modern disorders. Industrial accident and unemployment are obviously so. Old age, though not confined to modern times, is of increasing importance in them. It is not indeed true that men now-a-days become unfit for work earlier in life than they used to. The truth is that both the average working life and the average length of life as a whole have lengthened, but that the latter has grown most; the inevitable interval of idleness after working is normally greater than before. Even motherhood is more of an interruption of earning in highly-organised industrial communities than in simpler societies.

These five ways of impoverishment are "risks" also in the sense that they are not for anyone individual certainties. It cannot with certainty be predicted of any man that he will fall ill or become unemployed or have an industrial accident, or of any woman that she will be left a widow with a family. Old age itself is not a certainty; one may die young, and many people do. On the other hand, to the community they are certainties. There will always in any modern community be a number of persons past work through age, sick, injured, unemployed, or widowed and engaged in rearing families. This does not mean that some of these interruptions to earning power cannot or should not be made less frequent. But none, in any society which we need consider—not even unemployment—can be abolished altogether. Even the most completely socialised community, if it achieved the feat of stamping out the trade cycle without stamping out trade, would be helpless in face of our climate and the seasonal variations of employment that it involves; it could not guarantee to every workman at every time profitable work within his capacity. Whatever efforts are made to prevent sickness or accidents or unemployment, must be accompanied by provisions for that which we cannot prevent, by measures aimed at continuance not of earning, but of income during these and the other inevitable interruptions of productive labour.

### **Collective Provision.**

For the reason given—of the uncertainty to the individual and the certainty of the community—the risks are of a kind to be met collectively rather than individually. Adequate private provision against all of them is beyond the means of the great majority. Private saving to meet these risks is inappropriate because it may never be needed.

The collective bearing of risks is insurance. It is insurance, whether the individual contributes specific

premiums to meet each specific risk or whether he receives free insurance out of the general resources of the community or of an industry. It is insurance whether the contributions are voluntary or compulsory. On the other hand, it is not insurance if the receipt of benefit depends in any way upon the discretion of some authority, if it is given not as a right but as a favour, if it can be withheld because an individual otherwise entitled has other means.

In the last years before the war the collective bearing of the risks inherent in modern society—the principle of social insurance—made rapid headway. Compensation for industrial accidents, which had been introduced for a few industries in 1897, was made practically universal in 1906, and Old Age Pensions followed in 1908. Compulsory insurance against sickness, with its new device of contributions paid by stamps and deductions from the workmen's wages, came in 1911. It was accompanied by compulsory insurance against unemployment, also on contributory lines; begun for a few industries in 1911, this, too, was made nearly universal in 1920.

### **Contributory Insurance.**

The introduction and acceptance of the principle of contributory insurance, in the two last-named schemes, are notable. The term "insurance" has been defined above as meaning no more than the collective bearing of risks and has thus been applied both to workmen's compensation and to old age pensions. This is, I think, a justifiable use of the term; we have been familiarised of late with "free" insurance granted by newspapers to their readers. But it can hardly be doubted that in common thought insurance implies as a rule previous payment of specific premiums by the insured person; the schemes of 1911 dealing with health and unemployment are insurance in a fuller sense than were their predecessors. They aroused also, it may be remembered, very



serious initial opposition. The householder nearly rose in revolt against the insurance stamp. It was freely prophesied that the workman would rise in revolt against having a card to carry with him and against deductions from his wages. To-day contributory insurance has won on its merits. It accords with popular sentiment against giving or getting something for nothing. It saves political parties from temptation to compete in easy promises of higher doles. It has manifest administrative advantages in defining the classes to benefit. It raises money which could hardly be raised otherwise ; at the present moment four-fifths of the male workmen of the country are without audible protest suffering a weekly deduction of 1s. 2d. from their wages. No better proof could be given of how highly men value security against the economic evils of our time.

Of the five main risks to continuous earning, four have been dealt with in whole or in part. Only one, that of widowed motherhood, has been left untouched. But there are obvious imperfections in nearly all the existing insurance schemes, as well as gaps between them, and many minor risks untouched. The completion of social insurance means the remedying of imperfections in particular schemes, the taking in of the one large outstanding risk of widowed motherhood, and the welding of all the schemes into one harmonious system without gaps and overlapping. Let us take these stages in order, dealing first with each separate scheme.

### **Industrial Accidents.**

Insurance against industrial accidents was introduced by the Workmen's Compensation Act of 1897 for a few named industries, as an extension of the employers' legal liability for damage caused to his workmen by his own negligence or that of his agents. The insured workman's benefit depended on his

establishing a claim by legal process against another private citizen and finding that citizen with enough money to meet his liabilities. The scheme was applied in 1906 to practically the whole field of employment, but with no change of principle. The benefit for total incapacity is now half wages with a maximum of 30s. a week; there are other benefits for partial incapacity and for dependents in case of fatal accidents. The total number of employees covered by the Compensation Act is put at 15,000,000; the annual expenditure is uncertain, but lies between £12,000,000 and £16,000,000 a year, including the cost of administration. This money is provided by the industries direct, through employers' payments without contributions from the workman or the State.

The working of this system was examined in 1919 by a Departmental Committee under the chairmanship of Mr. Holman Gregory. The report of the committee, published in 1922 (Command Paper 816), makes or reports a number of criticisms, of which the following are the most important:—

(1) The workman's benefit depends upon finding a solvent person to meet his claim, and he is not certain of finding one. If the employer is a person of small means and has not insured against his liabilities under the Compensation Act, the workman (or his dependents in case of a fatal accident) may get nothing at all. This defect the committee proposed to remedy by compelling employers to insure against their liabilities. The committee put the total number of employers within the Act who do not insure now at not less than 250,000, so that their proposal is not a small one.

(2) Though the committee, in order to make certain that the workmen shall get his benefit, were prepared to make insurance by the employer compulsory, the actual experience of such insurance is not encouraging. The premiums charged by the

insurance companies have been extraordinarily high. "During the last five or six years," as the committee points out, "the employers have had to pay £100 in premiums for every £48 paid out in benefits to insured workmen." The balance is absorbed by commission (about £12), expenses of management (£19), profits (nearly £19), and transfers to additional reserve (£2). Very few people will differ from the committee's view that a system which adds £100 to the burdens on industry in order to secure £48 to the injured workman is "wasteful and unsatisfactory."\* The committee felt driven to propose that the premiums charged by insurance companies should be supervised, and to some extent regulated, by the State.

(3) The employer's liability to pay compensation has already been extended from industrial accidents to industrial diseases, but applies only to some thirty diseases scheduled by the Home Office as being so specific to the employment that their causation by the employment can be established in each particular case. There are many other diseases which are prevalent in particular industries and undoubtedly arise, in many cases, through the nature of the employment, but because they may also arise apart from such employment the workmen has no claim

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\*Recently even these surprising figures have been surpassed. In 1921 of every £100 received by the insurance companies in respect of employers' liability, £36 was allocated to payment of compensation and £64 to other purposes; in 1922 the proportions were £44 and £56. The cost of administration in unemployment insurance is 8.3 per cent. and in health insurance is 13.3 per cent. The work to be done differs in the three schemes; each accident normally means more administrative work than each case of unemployment. On the other hand the number of cases to be dealt with in proportion to the total number of persons insured is far less in workmen's compensation; of every 100 workmen three on an average in each year have an accident, while forty or fifty make claims for unemployment. (*Report on National Unemployment Insurance, 1923, p. 13.*)

to compensation. The wool worker who contracts anthrax from the material with which he deals gets compensation. The flax worker who contracts bronchitis from his material is not compensated, because he might also have contracted it in some other way. He is left to his sickness insurance with its lower benefits. The committee proposed no change of the law on this point, but it well illustrates the imperfections and illogicalities of our composite social insurance system.\*

(4) The benefit payable is based on the wages earned without regard to the needs to be met. For non-fatal accidents the committee proposed that this should continue; since the workman's wages took no account of the number of his dependents, neither should his compensation for loss of wages. For fatal accidents the committee felt driven to propose a change from a system which gave exactly the same sum to a young widow with no family, able to work and likely to marry again, as to a widow left with five or six young children to rear. This proposal, so far as varying the amount payable with the number of dependents, has been carried out by an Act of Parliament passed last session. The further and obviously desirable reform contemplated by the committee, of replacing a lump sum compensation by a weekly allowance to the widow has not been carried, and is impracticable under the present system. With all their heavy cost of administration, the insurance companies have no machinery for the weekly payment of such allowances and for their review as the children grow older or die.

The committee's report did not err on the side of revolution. Yet, though an amending Act was

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\*An interesting account of the treatment of a particular disease is given in a recent report of a Departmental Committee on the working of the Workmen's Compensation (Silicosis) Act, 1918.

carried through last session, it omitted the most important even of the committee's moderate proposals—the compulsory insurance of employers' liability and the regulation of premiums.\* These would at best be make-shift reforms. Workmen's Compensation was the State's first effort in social insurance, and, like other eldest children, bears the marks of its parent's inexperience. It does not guarantee benefit. In running away from the expense of State administration it takes the far more costly road of litigation and agents' commissions. By basing relief not on the need but on its ultimate cause, it makes vexatious distinctions between accidents and diseases which are held to be industrial, and those which are not held to be industrial, but produce the same hardships. In any comprehensive re-organisation of social insurance, workman's compensation would assuredly be absorbed in the provision made on the one hand for the disablement of the breadwinner, however caused, and on the other hand for the death of the breadwinner however caused, whether by disease or by accident, whether in or out of the course of his employment.

### **Old Age.**

Provision for old age was the second in time of our social insurance schemes. It was introduced in the Budget speech of 1908; like compensation for industrial accident, old age pensions were to be non-contributory; unlike that, they were to be administered by the State and paid for out of the national

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\*As a substitute for statutory regulation of premiums, the Government, in May, 1923, obtained from the insurance companies an undertaking so to limit their charges that the amount paid in compensation each year should be not less than 60 per cent. (after 1926, 62½ per cent.) of the premiums received by them. In other words, the cost of administration of insurance against industrial accidents and diseases is not to exceed 40 per cent. (later, 37½ per cent.). This undertaking has been published. (Cd. 1891.)

exchequer. Old age was defined to begin at 70. The grant of the pension was to be subject to a means limit; a person, though otherwise qualified, would get no pension if his yearly means exceeded £31 10s., and a reduced pension if it lay between that figure and £21.

There has been no change of importance in the scheme since its introduction, apart from an increase in the amount of the pension from an original 5s. a week to 10s. and the raising of the means limits to £49 17s. 6d., and £26 respectively from the figures just named. These changes followed three years ago on an enquiry into Old Age Pensions by a Departmental Committee under the chairmanship of Sir Ryland Adkins.

The most important issue raised before the committee was that of the means limit. The imposition of a poverty qualification for pensions infringes the principles of insurance; more important than that, it is a direct discouragement to thrift and mutual assistance; it involves vexatious enquiries; it produces every kind of anomaly and injustice. It is now generally recognised as indefensible, and was so regarded by the committee.

But the removal of the means limit, that is the grant of pension to everybody at a stated age irrespective of their other resources, would be an expensive matter. Official estimates laid before the committee put the cost of giving 10s. a week to everybody at the age of 70 at £41,000,000 in the year 1921-22 as compared with £23,500,000 with the original means limit. Moreover, an appreciable part of this heavy expenditure would go in pensions to people who had little or no need of them. The Departmental Committee, after considering and rejecting various half-measures (such as giving pensions only to those exempt from payment of income tax), felt bound to recommend the abolition of any means limit, but with a "financial caveat." The Govern-

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ment retained a limit, but raised it slightly, so that the estimated expenditure in 1921-22 became £26,000,000. All these figures relate to the United Kingdom as a whole and should be reduced by roughly one-sixth to fit Great Britain.

The difficulty of the means limit in our Old Age Pension scheme has no satisfactory solution. It represents the nemesis of non-contributory insurance, and is the best of arguments for not extending insurance on those lines. The outstanding merit of contributory insurance, as it has been applied to health and unemployment, is not so much the moral effect or the easing of the financial problem (though both considerations are important), as that it makes it possible, without an objectionable device like the means limit, to define the class of persons to be insured. Those who do not need insurance are excluded painlessly by being exempted from compulsion to contribute.

This argument gains in importance when we turn to the other main issue before the committee, that of the age at which pensions should begin. Impressed by the need for pensions in many cases before 70, but alarmed at the expenditure involved in non-contributory pensions without means limit at any lower age, the committee naturally turned to consider the provision already made for prolonged infirmity under the Health Insurance Acts, and the possibility of developing it into something better.

### Sickness and Disablement.

Compulsory insurance against sickness and disablement was introduced by the National Insurance Act of 1911, which made a revolution both in the way of raising funds for social insurance and in the way of spending them. Under this Act contributions are paid by employers and employees, through the affixing of stamps to insurance cards, and by the State, which meets a fixed proportion of the total expen-

diture. The joint contribution of employees and employers now stands at 10d. a week for men and 9d. for women. The ordinary benefits are now four in number—medical treatment, and allowances in cash for sickness, disablement and maternity. The normal sickness allowance is now 15s. a week for men and 12s. for women, up to a maximum of 26 weeks ; the disablement allowance is 7s. 6d. a week for so long as the disablement continues up to the age of 70 ; maternity benefit is a lump sum of 40s. or 80s. These allowances are administered by approved societies, autonomous but closely controlled associations of the insured persons. The scheme extends to practically the whole employed population, and to others who though not technically “employed” are in a similar position. The number of insured persons in Great Britain is roughly 15,000,000. The expenditure on benefits and administration in 1922 was about £30,000,000.

No attempt can be made here to discuss the principles of this scheme or the many problems which arise in its enormous and complicated administration. I must be content to deal with a single point, already raised in the preceding section, namely, the problem of providing pensions or similar allowances below the age of 70 and the bearing thereon of disablement benefit under the Health Insurance Scheme.

The provision for persons in the last few years before the pension age of 70 is generally felt to be inadequate. The lowering of this age, however—even to 65—for the free grant of a State-provided pension presents serious difficulties. It involves a large addition to our national expenditure ; if the objectionable means limit is abolished, as sooner or later it must be, this addition becomes very large indeed and a good deal of the additional expenditure is incurred in giving pensions to people who have no great need of them. In the official evidence given to the Old Age Pensions Committee the cost in 1921-



22 of pensions without means limit at 65 was put at £70,000,000 a year, as compared with £41,000,000 at 70 without such limit, and £26,000,000 with the limit now in force. For Great Britain these figures may roughly be reduced by one-sixth.

### **Contributory Pensions at 65.**

It is natural to look, as the Old Age Pensions Committee looked, to the possibility of providing for this need on the lines of contributory insurance. On this line two main alternatives are possible.

1. To improve the existing disablement allowance under the Health Insurance Scheme to 10s. or more a week.

2. To provide, as a new benefit under contributory insurance, a pension payable from 65 to 70 irrespective of disablement.

Both these alternatives involve much less expenditure than universal pensions at 65 and both may be objected to on the ground that they are limited to insured persons, *i.e.*, in effect to those who have been more or less continuously occupied for wages ; these number roughly half the total population between 15 and 70. But is this a valid objection ? The excluded persons will be either those above the compulsory insurance level or married women. The latter, not having earned for many years, will not, on becoming 65 or disabled, earn less than before ; if their position is worsened it will be because their husbands have died or become disabled. The logical provision for them is through a development of widow's pensions or of dependents' allowances in case of the husband's disablement.

As between the alternatives, the balance of practical advantage seems to lie with the latter, that is, pensions at 65, rather than pensions for disablement. The experience of approved societies emphasises the extreme difficulty of defining or testing "disablement" among persons advanced in years, and the danger

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that any benefit appreciably more generous than that now given by them will multiply claims indefinitely and prove expensive beyond all expectations. The making of disablement a condition of the benefit is open to the further objection that it may withdraw from productive work men who could still in fact do something. It seems better, as well as simpler, to give the pension at 65 as an annuity would be given under Endowment Insurance, without any condition either of disability or of poverty, to all who have contributed for it. Disablement benefit proper would then be confined to the years before 65, when the difference between ability and disability would be more definite ; it could be made at once more generous and more strictly controlled.

It would be reasonable on either alternative to make a difference of benefit, based upon a difference of contributions, between men and women, as is done both in health and in unemployment insurance ; to provide for instance 10s. a week for men and 7s. 6d. for women. At these rates the cost of the second alternative, that is of giving a pension from ages 65 to 70 to all persons remaining within the scope of Health Insurance, should be in the neighbourhood of £11,000,000 a year. The possibility of finding this money will be considered later. If the sum of £4,000,000 now being spent on disablement benefit be treated as additional to this it should make possible a generous provision for clear disability below the age of 65 and for the dependants of disabled persons. Alternatively it would give the approved societies a margin for improving the provision for other needs.

In this connection, it may be interesting to record that the average age of superannuation in the biggest trade union giving such benefit—the Amalgamated Society of Engineers—was rising steadily before the war ; from 61½ for the five years 1886—1890 it had reached 64 for 1911-13. In so far as this is typical (the rise at least is confirmed by experience in other

unions) it suggests that ultimately there would be no very great difference between the cost of pensions given at any time after 60 on condition of disability, and pensions given without disablement at 65 in all cases, provided that the grant could be controlled as completely under a State scheme as in a trade union. It suggests also the rashness of extending pensions, whether contributory or non-contributory, to ages below 65, except on clear proof of invalidity. A large and on the whole growing proportion of the people is perfectly fit for work between 60 and 65.

### **Unemployment Insurance.**

Compulsory Insurance against Unemployment was introduced for engineering, shipbuilding, building, and a few other trades (about  $2\frac{1}{2}$  million men) in 1911. After a partial extension in 1916, it was finally applied to practically the whole employed population, other than those engaged in agriculture or domestic service, by an Act passed in November, 1920. With the big exceptions named, insurance against unemployment is as wide as that against sickness or against industrial accident, and covers now nearly 12,000,000 workpeople. Like health insurance it is on a contributory basis; employers and workpeople each provide through insurance stamps and deductions from wages three-eighths of the whole income, while the remaining fourth is provided by the State. The joint contribution from all three parties is now at the rate of 2s. 1 $\frac{3}{4}$ d. for men and 1s. 8d. for women. The benefit is 15s. a week for men and 12s. for women, with dependants' allowances of 5s. for a wife (or invalid husband) and 1s. for each child at school. The income of the fund is now at the rate of £48,000,000 a year.

This scheme represents the greatest single measure taken in any country for dealing with distress due to unemployment. When it was introduced here there was no precedent for it in any other country; it was freely described as impracticable. The success and

survival of the system under circumstances of unparalleled difficulty are remarkable. This does not mean, of course, that the scheme is perfect ; still less that it has escaped criticism both well and ill-informed. The main problems which its working presents to-day are the related ones of how to treat unemployment extending over very long periods and how to co-ordinate insurance and the Poor Law.

### **The "Dole" and the "Gaps."**

Payment of money to an able-bodied person for standing idle never appeals to public opinion as a very satisfactory proceeding. The popular distaste—crystallised in the term "dole" which is not used of precisely similar payments following accident or illness—arises mainly from ignorance of the problem, of the impossibility of preventing unemployment altogether, and of the difficulty of making it even appreciably less ; hitherto it has resisted treatment as obstinately as has cancer. Nevertheless simple money payments, though the best that can be done, are a bad best for the unemployed man ; when his unemployment continues over months and even years, the inadequacy of mere insurance becomes glaring, the demoralisation of having nothing whatever to do or think of each day becomes overpowering.

In all insurance schemes hitherto the period for which unemployment benefit could be drawn has been limited. The trade unions, who were the pioneers in this field and whose practice embodies profound experience, usually gave benefit at the full rate (before the war 10s. a week) only for three months or so, and then reduced the rate to 8s., 6s., or even less for a further limited period. There was a growing pressure upon the workman to find employment, or alternatively to leave the trade, the union, or the country. In the State scheme the rate of benefit has always been uniform but the number of weeks for which it can be drawn has been limited, and in the provision

of "uncovenanted" benefit (made necessary by the delay in making insurance general) there have been systematic "gaps" during which nothing was payable. In effect these "gaps" have meant wholesale transference of men from the unemployment fund to the Poor Law. There has also been a constant over-lapping with the Poor Law, in so far as Boards of Guardians have in many cases given out-relief to supplement unemployment benefit, where they judged this to be insufficient for subsistence.

### **The Way Out.**

The position is a difficult one and no ready-made solution can be given, but the direction in which we should move is clear.

First, as a matter of principle, unemployment benefit and Poor Relief should be mutually exclusive; if a man cannot live upon the former and such other resources as he had, he should pass wholly to the latter, however that may be organised.

Second, the conditions upon which unemployment benefit can be drawn should change progressively with the length of time for which it has been drawn. For a limited period only—whether 15 or 25 or more weeks in a year—benefit should be available on conditions at least as favourable as those now in force; the workman should be allowed to hold out for work in his own trade and district without forfeiting his claim to benefit. After that time it becomes reasonable to say that his chance of finding work on those terms appear so small that he must acquiesce in other terms; he may be required to take suitable work outside his proper trade or to move more readily to another district. Finally a point may be reached when demoralisation through idleness has begun or is threatened; it becomes reasonable to give further benefit only on condition of some form of training either mental or physical, of further education either general or technical, which may help to improve the

unemployed man's physique or intelligence, and which will at any rate give him something to do with his day. Some such progressive change of benefit conditions is the proper alternative to reducing the pay to an obviously inadequate pittance or to breaking it by meaningless "gaps."

Third, unemployment benefit must end at last and leave the recipient to the infirmary, the asylum, or the labour colony. It can be justified only as a means of tiding over temporary unemployment, not as a pension for life.

### **Insurance by Industries.**

It may be thought that the discussion hitherto has wrongly neglected the main problems of unemployment insurance. It has certainly neglected two projects which at one time were much talked about—amalgamation with health insurance and "insurance by industries." The former will be discussed in the final section of this pamphlet, in dealing with the co-ordination of insurance. On the latter a few words may be said here.

"Insurance by industries," so far as it represents anything more than a kick at bureaucracy, is generally supported on the ground that, by placing the burden of the unemployment in each industry squarely on that industry, a financial incentive will be given to the employers and workmen to prevent unemployment and so lighten the burden. I have set out at length elsewhere\* reasons for doubting the efficacy of any financial incentive; the insurance premiums are too small a basis. The gain from insurance by industries would lie not in any financial incentive but in the establishment of a representative organisation in each industry for thinking about unemployment. Whether this gain would outweigh the many disadvantages of splitting up the single insurance scheme into many separate schemes

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\* *Manchester Guardian Commercial Supplement*, February, 1923.

(immobilisation of labour, cost of separate exchange systems, demarcation difficulties) is doubtful. My personal expectation is that not much will come of insurance by industries; the most hopeful field for its operation lies in schemes for adding to the basic State benefit, as trade unions already do. For this and for other reasons there seems to be ground for keeping State unemployment benefit at or near its present figure and not endeavouring to improve it.

### **Unemployment Fund Surplus.**

This brings me to a point of some importance. The country has been passing through a period of unparalleled trade depression and unemployment. The calls on the unemployment fund have been altogether abnormal; of all State enterprises it is the one that should now be making the heaviest losses. In fact during 1923 it has made not a loss but a profit. The Government have managed, without audible protest, to screw the contributions up to a point at which they more than cover the expenditure in a year with an average unemployment percentage of nearly 12. At the beginning of 1923 the unemployment fund was in debt to the Treasury to the extent of £16,000,000. By March the debt had risen to £17,000,000. Since then it has been reduced to £13,000,000, that is to say, in the last nine months the fund has made a profit of £4,000,000.

This is an extraordinary and at the same time a rather encouraging state of affairs. It is all wrong in principle that an unemployment insurance fund should make a profit during a crisis of severe unemployment. Its finance ought to be based on making a profit in good years to meet losses in bad years; if it makes a profit in bad years as well, its premiums are too high for its benefits. That of course is the case with us. As trade recovers and unemployment falls, the income of the unemployment fund, on the basis of the present contributions, will rise slightly

(for contributions are not paid in unemployment); it should pass £50,000,000, and might reach £52,000,000. The expenditure on the other hand will fall heavily if we get back to six per cent. of unemployment over good and bad years together, expenditure will come down to £23,000,000 or near it; there should be an annual surplus of £25,000,000 to £30,000,000.

What is the chance of our realising this surplus and what are we to do with it?

As to the first point, the average percentage of unemployment before the war in all the industries now included was under five, taking good and bad years together.\* The war will leave us with a dead weight of unemployment that can only be worked off gradually, as the foreign trade by which we lived recovers, or as men displaced by war-time dislocation of industry find new openings in this country or abroad. But there is no reason at all why unemployment after the war should be permanently at a higher level than it was before the war; if we are prepared to contemplate its continuance at anything like its present level, we might as well contemplate national decay at once. Actually there is good ground for hoping that many of the causes that made unemployment before—trade fluctuation, casual labour, misdirection of boys and girls in the choice of occupations—can be diminished or counteracted. Unemployment can and should be reduced.

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\* On the estimates made by the Ministry of Labour in 1919 of the unemployment in various industries, the average rate for all industries works out at 4.1 per cent. The Government Actuary, adding various margins for safety and assuming that nearly one-third of those insured, having relatively little unemployment, would contract out under "special schemes," reached a rate of 5.32 per cent. for the remainder. For the whole body of workpeople now insured 4.5 per cent. is a reasonable estimate. At this rate the annual expenditure on benefits and administration could hardly exceed £18,000,000; the surplus would be £30,000,000 to £34,000,000.



One warning, however, is necessary. In the recent depression, the former Poor Law has been broken down altogether; out-relief has been given, and is being given freely, to able-bodied men, without the machinery or possibility of control, without any real safeguards against immobilising labour and manufacturing unemployment. Benefit given at a Labour Exchange can be protected absolutely from abuse; if employers will take the trouble to notify their vacancies there, no man can draw benefit for a day after there is a suitable job which he ought to take. Relief given by a Board of Guardians has no such protection. Unless the present breakdown of the old Poor Law and the over-lapping between it and insurance can be remedied we may lose an appreciable part of the benefit which trade recovery should bring. If we allow slackness in administration of the Poor Law, we may find trade recovering without absorbing the unemployed. If we are firm enough, we may realise all the surplus named above, and more.

Of course there is the debt of £13,000,000 to be paid off, but once trade recovers that will not take long. Of course, it may be urged by H.M. Treasury, if by no one else, that the surplus should be used in reducing contributions; the Unemployment Insurance Act now in force says that this shall be done. As contributions for unemployment, the sum, now being paid by employers and workmen will not be needed and can be reduced. But why should not these contributions, or at least the contributing power shown by them, be diverted, with greater advantage, to other social purposes? The remarkable thing about the heavy unemployment contributions is that they are now being paid with so little discontent; the financing of further developments in social insurance will be far less difficult than pessimists have feared. There is being paid for social insurance to-day at least £25,000,000 a year more than will normally be required for existing benefits; three-

quarters of this comes from employers and work-people, and one-quarter from the State. Up to this amount, further insurance can ultimately be provided without throwing upon employers, workmen, or the State a penny of additional burdens.

One more point is worth mentioning in view of possible developments. This is the refund at the age of 60 of any contributions paid by workmen (by deductions from wages) in excess of the amounts that they have drawn in benefit. This provision was introduced as a very effective way of meeting objections to compulsory insurance on the part of men who claimed that they were never likely to be unemployed. The Civil War Workers' Committee which reported on Unemployment Insurance in 1918 recommended, particularly with a view to bringing agriculture and domestic service willingly into the scheme, that this refund should if possible be developed into a regular system of annuities between the ages of 65 and 70, for those who were lucky enough not to need benefit for unemployment. A committee of officials later recommended the abolition of the refund.\* At present something like £300,000 a year is being refunded under this provision, but the amount is expected to rise to at least £1,000,000 a year ultimately. There is here a further surplus which might fall in to a scheme of contributory pensions at 65 if this could be combined with unemployment insurance. It would obviously be better used in that way than in refunds.

### **Widows and Orphans.**

In the present summary review the only interruption of earning by motherhood that need be considered at any length is widowed motherhood. Maternity itself is fairly well covered under health

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\* Third Interim Report of Interdepartmental Committee on Health and Unemployment Insurance (1923, Cd. 1821).

insurance. The unmarried mother raises problems which are difficult but not common. The interruption of earning that occurs when a working woman marries and devotes herself to bringing up a family is or should be automatically provided for so long as the husband lives, either earning or drawing benefit when for any cause his own earning ceases.

The main gap still to be filled in our social insurance is provision for the case when the bread-winner dies leaving a widow with young children. There is another gap of less importance, represented by the widow without dependants but past the age of earning, say 65 or more. A young widow with no children can seek employment and needs at most a sum to start her. A widow with grown children, if she is not already too old, can equally earn or has at least good chance of support from her children till old age comes. A widow with a child or children of school age is tied by them ; she cannot go afield for employment ; she should be exempted from the need for earning, and placed in a position to rear her family. At present, unless her husband died through an industrial accident for which compensation is paid, she has no resource, except the Poor Law and charity and such relations as can be found to help.

It is rather noticeable how small a proportion of widows in such cases actually have recourse to the Poor Law. This appears when estimates are made of the possible saving on out-door relief through the introduction of widows' and orphans' pensions. It suggests, as is obviously the case, that a great deal of help from relations and charity is now forthcoming, and is a reason for moderation in the scale of allowances to be fixed at the outset.

A definite gap, however, in our provision for security remains. To fill it a comprehensive scheme of widows' and orphans' allowances is required. With a view rather to indicating points for consideration

than to setting out a hard and fast scheme, the following suggestions are made :—

1. Allowances should be given at the rate of 12s. a week for the widow and 6s. a week for each child under 14, subject to a maximum of 36s. for the family as a whole ; an allowance of 10s. a week should be paid for each child without any parents.

2. The allowance to each child should cease at the age of 14 and that to the widow three months after the last child reaches that age, subject to the suggestion below of a widow's pension from 65 to 70.

3. The widow's allowance should (probably) not be affected either by her going out to work or by her re-marriage. She would be liable, like any other parent or guardian, for neglecting her children and power might be taken to stop or impound the allowance, as part of any measures under this head, but apart from this no special steps for enforcing the purpose for which the allowances is given—the care of the children—seems necessary.

4. The same allowances should be given, whatever the cause of death, and should replace the existing payments to dependants under the Workmen's Compensation Acts. The sums due from the employers in respect of such Acts would be paid into the general fund from which the allowances were drawn.

5. Apart from such Workmen's Compensation payments, the funds would be provided by contributions from employers, workmen, and the State, either under the health or under the unemployment insurance scheme ; in one way or another the surplus of income that will become available in the latter scheme should be diverted to the relief of widows and orphans. This point will arise again when the co-ordination of insurance is discussed.

The cost of such a scheme in benefits may be estimated roughly at £12,500,000 a year, without taking

into account the saving on Poor Relief, which might amount to as much as £3,000,000 a year.

### **The Elderly Widow.**

There remains the problem of the widow of advanced years, say, between 65 and 70. By the nature of the case she can no longer have dependant children; the last must have left school five or ten or twenty years before. If she was already old when her husband died, she has had no chance of gaining a pension by her own earning and contributions; she should get one in respect of her husband's. If however she was young when her husband died, say, thirty, then after a period of bringing up her children she obviously will have opportunities for earning and for becoming an employed contributor again, and qualifying herself for the pension at 65. What is wanted is some means of making it easier for her to come back into insurance for this purpose. The detailed solution of this problem would exceed the limits of this pamphlet, but the principles are fairly clear. During her years as a wife or spent in bringing up children after her husband's death the widow should be qualifying for a pension at 65 (on her husband's account); she has only to keep the insurance alive by earning if there is an interval of years in which she can do so. The total number of widows between 65 and 70 in Great Britain now is in the neighbourhood of 250,000. If it be assumed that four-fifths of them are widows who are not themselves employed contributors under the National Insurance Act, but whose husbands were so, the annual cost of paying each of the 200,000 a pension of 7s. 6d. a week (as is suggested for other women at those ages) would be a little under £4,000,000 a year.

### **Co-ordination of Insurance.**

In the field of social insurance we have now four distinct systems, which have grown up separately,

with different and unrelated principles, scope, machinery, sources of income and scales of benefit.

Insurance against Industrial Accidents in the form of Workmen's Compensation is non-contributory for the workman, the whole cost being met by employers, and is administered, not by the State, but by the employers or the insurance companies who stand behind them. The benefit varies with the wages earned but (except now for fatal accidents) not with the number of dependents. Practically the whole employed population is covered but no one who is not employed.

Insurance against Old Age, in the form of Old Age Pensions at 70, is also non-contributory for the workman, but is paid for and administered directly by the State through the Post Office and local Pensions Committees. The benefit is independent of the recipient's previous earnings and the number of his dependents, but varies according to his present means and may be reduced to nothing.

Insurance against Sickness is contributory, being paid for jointly by employers, workmen, and the State. Its outstanding characteristics are on the side of income, the collection of contributions by insurance stamps and deductions from wages, and on the side of expenditure administration by "approved societies," independent but strictly controlled. Both contributions and benefits are at flat rates independent of the number of dependents and of the wages earned, subject to a limited differentiation of contribution where the wage is very low. The persons insured are broadly the same as those covered by workmen's compensation, but include a certain number of persons working on their own account, not for employers, and exclude employed persons above a certain income limit.

Insurance against Unemployment is contributory in the same way as health insurance, but employs a different set of cards and stamps and bases the

State contribution on a different principle. It is administered directly by the State through the Employment Exchanges. The benefit varies with the number of dependants. The scope is narrower than that of accident and health insurance through the omission of agriculture and domestic service.

The four systems involve at the present time an annual expenditure on benefits and administration of about £110,000,000 in Britain alone. Yet they make between them no provision or insufficient provision for widows and orphans (except where death of the husband is due to industrial accident), for infirmity below the age of 70, for accidents other than industrial ones. They present, at their points of contact, numerous illogical distinctions involving real or fancied hardships. It is small wonder that the cry for co-ordination of social insurance should be in the air.

Yet it is important not to exaggerate the present difficulties or to over-estimate the degree of uniformity that can be attained. Co-ordination of the various insurance schemes should not mean amalgamation. The interruptions to earning with which they deal affect different types of persons and are different in character and probable duration. These differences justify varying scales of benefit and necessitate separate machinery. To take one instance—the approved societies are as little fitted to deal with unemployment insurance as the employment exchanges with sickness; the technical instrument for determining whether the insured risk has arisen is in the one case the doctor or the friendly visitor; in the other case, the employment exchange with its register of jobs available.

Co-ordination means simply that the various schemes should for once be looked at as a whole. Their scales of benefit must bear some relation to one another. Their edges must fit, neither overlapping nor leaving holes through which people can drop

undeservedly into destitution. They should be amalgamated only so far as this can be done without harming their efficiency for their specific tasks.

### **Insurance or Communism.**

Let us look for a moment at the problem as a whole and try to lay down the lines of a comprehensive solution. The problem is not that of guaranteeing an income at all times to everybody irrespective of his work and services. That way lies Communism. The problem is the narrower one of giving security against all the main risks of economic life to those who depend on continuous earning, of arranging that part of what such persons earn by their work shall take the form of provision for themselves and their dependants whenever their work is interrupted or stopped by causes beyond their control. This is the line of Social Insurance, maintaining individual freedom and responsibilities and the family as the unit of the State. What new practical measures does it involve, having regard to the measures already taken ?

There may be assumed, as a first stage, the continuance of the present non-contributory scheme of Old Age Pensions. It should be retained but not extended. The anomalous means limit should be abolished as soon as funds for this can be spared from more urgent needs ; as a half-way house to abolition some plan could be devised which gave the pensioner half the benefit of any other income, *e.g.*, took off only 1s. of pension for every 2s. that he had from elsewhere. But the objections alike to the maintenance and to the abolition of the means limit are ample warning against proceeding further on non-contributory lines, and above all against lowering the qualifying age.

Below the age of 70 are three main types of need : for provision while the breadwinner is disabled from working by sickness or accident however caused ; for



provision while he is able to work but cannot find work to do ; for something like endowment assurance, providing for his dependants if he dies prematurely and for himself in the last years before 70 if he lives till then. To meet these needs there is wanted a system of contributory insurance covering for all of them the whole employed population, the 15,000,000 or so who now come under the health insurance scheme. How far can this system be unified, and how far must it fall into separate sections ?

On the side of contributions, unification may be possible. That is to say employers and workman's contributions might be collected by a single insurance card and stamp for all purposes. But this can hardly be regarded as essential. Two sets of cards and stamps, for health and unemployment, are already in use for four-fifths of the employed population. On the other hand there are serious administrative difficulties in the way of having a single card ; as a record of contributions and title to benefit, the stamped card is wanted afterwards both by the approved societies dealing with sickness and disablement and by the employment department dealing with unemployment. Probably in the end we shall settle down to two separate cards to be stamped for the whole employed population, as they are now in use for four-fifths of the whole.

### **Two Main Insurance Sections.**

On the side of benefits, unification of machinery is excluded by the difference in the work to be done. At least two distinct types of machinery are indispensable, corresponding to the fundamental distinction between beneficiaries disabled by disease or injury and beneficiaries not so disabled. Nothing is gained by mixing oil and water, the sick and the whole. But there is a great deal to be said for having not more than two types of machinery, not more

than two main sections of the comprehensive insurance scheme.

On the one hand, the present health insurance organisation with its approved societies and insurance committees might be developed so as to cover disablement, however arising, whether through ordinary sickness, or through industrial disease or accident, or through other forms of accident. It would meet the first of the three needs named above—disablement. It would deal with maternity as well—everything that requires the doctor.

On the other hand, the employment organisation might deal not only with the second need—unemployment that requires the employment exchange as disablement requires the doctor, but with the third need as well—endowment for dependants in case of death and for the years from 65 to 70.

Workmen's compensation as such would disappear ; the charge on industry through the employers could, if necessary, be continued either by a percentage levy on wages or, more simply, by an addition to the insurance stamp. The sums so derived would be paid not to individual beneficiaries but as contributions to the general income of the organisation dealing with incapacity and with widows and orphans respectively. The scales of benefit in industrial and in other cases would be brought into line.

The suggestion that the employment department should undertake widows' and orphans' pensions may call for explanation. It is certainly not the only possible arrangement but it has practical advantages. The employment exchanges have an extensive and cheap organisation for weekly payments ; they are already administering a benefit which varies with the number of dependants and have machinery for checking this number ; the children as they grow up and the widow when they are all grown up will need special help in finding employment ; there is a definite advantage in associating some other risk with un-

employment in insurance, to meet objections by those who feel that their peculiar occupation or qualifications make their chance of unemployment small. The inevitable ultimate extension of unemployment insurance to agriculture and domestic service could thus be made without difficulty. Finally, the most obvious immediate source of the necessary funds for this endowment insurance lies in the prospective surplus income of the unemployment fund.

On the figures given above, the annual cost of giving pensions between 65 and 70 to all employed contributors or their widows and of giving widows and orphans' allowances where there were young children, would amount to about £27,500,000 a year, or allowing for administration, say, £30,000,000. Of this about £24,000,000 would be in respect of persons now included in the unemployment insurance scheme. The contributions now being paid under that scheme exceed what will be required for unemployment at the normal rate over good years and bad by at least £25,000,000 a year. That is to say those contributions are more than enough to secure ultimately, to the 12,000,000 persons now insured for unemployment, not only unemployment benefit, but widows' and orphans' allowances, and pensions for themselves or their widows from 65 to 70 as well. Not a penny more need be contributed in respect of them. To bring in to these new benefits the remaining fifth of the employed population who are not now insured for unemployment would cost something like £6,000,000 a year. To bring them into unemployment insurance as well would cost a further sum depending upon the scale of contributions and benefits fixed; another £3,000,000 would probably suffice. Of these sums one-fourth in each case would be found by the State.

The surplus of the unemployment fund will only be realised gradually; it would be possible, also, to

introduce gradually the new schemes here proposed. The feeling that the saving of money on unemployment would hasten the coming of full provision for widows and orphans and old age, might even prove a financial incentive for the avoidance of unnecessary idleness.

### **Summary.**

With these changes we should get a social insurance system that may be briefly summarised as follows :—

1. From 70 onwards—universal non-contributory pensions, with means limit abolished when finance allows (10s. a week).
2. Up to 70 Contributory Insurance for all employed contributors within the present scope of Health Insurance, in two main sections.

(a) Disablement Section (including Industrial Accidents), administered by the Ministry of Health through Approved Societies and Insurance Committees.

Sickness Allowance (15s. for men and 12s. for women).

Disablement Allowance (7s. 6d. a week up to the age of 65).

Medical and Maternity benefits as at present.

Accident compensation now at rate of half wages with maximum of 30s. for total incapacity, should probably be adjusted to rates ultimately fixed for sickness and disablement generally.

(b) Unemployment and Endowment Section, administered by Ministry of Labour, through Employment Department, with co-operation of trade unions and possibly of joint association of employers and workmen.

Unemployment Benefit (15s. for men and 12s. for women plus dependants' allowances).

Widows and Orphans' Allowances (12s. to

widow and 6s. to each child, so long as there are any children of school age; 10s. a week to children without any parent). Pensions from 65 to 70 to employed contributors (10s. for men, 7s. 6d. for women) and to the widows of employed contributors (7s. 6d. per week).

The rates shown in brackets are those now paid in the insurance schemes already established, or suggested as corresponding to them in the new schemes here proposed. With these rates the annual expenditure on benefits and administration would be between forty and fifty millions a year in each of the two sections of contributory insurance. The present charge for non-contributory old age pensions at 70 is about £24,000,000.

All these calculations are very rough. They treat the cost of the new insurances as an annual charge, and not on actuarial lines. But their broad result is unassailable. Unless our hope is vain that unemployment will in time return to near the normal figure—and who does not hope and believe that it can be reduced below that by wise measures?—the problem of complete social insurance is not essentially a financial one; it requires thought and imagination rather than more money.

Finally in all these calculations no allowance has been made for the saving by insurance of expenditure and loss in other ways. Yet this is of the essence of the problem. The threats to security—accident, sickness, unemployment, old age, early death—are with us whether we like it or not. The loss of earning which they occasion is a burden which we cannot escape, which in so far as we do not bear it by insurance, collectively and providently, we bear in other ways.

We bear it openly in our payments for relief of the poor; under this head the completion of social insurance would bring substantial reductions to set

against the new expenditure. We bear it less openly but not less certainly in the sapping of physical strength and moral character by want, in the break-up of families, in the waste of education on children too badly fed to learn, in the stifling of chances for the young through unaided struggles to maintain the old, above all in the sense of insecurity which breeds recklessness and bitterness.

Can we not join now to put one more fear beneath our feet for ever, to bring our country one stage nearer to the dream of the psalmist? "*I have been young, and now am old; yet have I not seen the righteous forsaken, nor his seed begging bread.*"

## Summary of Existing Contributions and Benefits.

### NATIONAL HEALTH INSURANCE.

#### BENEFITS.

- (a) *Medical Benefit*.—Receivable as soon as a person becomes a member. Provision of doctor's services, medicines, appliances, etc. Administered under local "Insurance Committees."
- (b) *Sickness Benefit*.—Payable after 26 weeks of insurance and payment of 26 weekly contributions. Benefit continues up to 26 weeks, beginning on 4th day of incapacity. (After 26 weeks, disablement benefit begins if member is duly qualified.)

				Men.		Women.	
				s.	d.	s.	d.
Ordinary rate	...	...	...	15	0	12	0
Rate if insured person is unable to work between 26th and 104th week of contribution	...	...	...	9	0	7	6
1st to 26th week of Contribution				Nil.		Nil.	

- (c) *Disablement Benefit*.—Payable after 104 weeks of insurance and payment of 104 weekly contributions. Begins after sickness benefit has been paid for 26 weeks and continues until incapacity ceases, or age of 70 is reached.

7s. 6d. per week, men and women.

- (d) *Maternity Benefit*.—Payable on the confinement of an insured woman or the wife of an insured man after at least 42 weeks of insurance and the payment of 42 weekly contributions. Where a double maternity benefit of 80s. is paid to an insured married woman she is required to abstain from working for 4 weeks after her confinement.

*Lump Sum* : 80s. to insured married woman who has continued in employment

40s. to wife of a male insured member (benefit being property of the wife), or to unmarried woman, or to married woman who has given up employment;

## Insurance for All and Everything.

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- (e) *Additional Benefits*.—May be provided by Approved Societies (having a definite surplus available). Acts of 1911 and 1920 prescribe a list of benefits which these societies may adopt.

Special benefits for Mercantile Marine, married women ex-workers, etc.

- Insurance includes*
- (1) Manual workers regardless of earnings.
  - (2) All employments (except those certified as entitled to benefit of equivalent value from other sources and certain other classes of exceptional employment) up to £250 per annum for whole time.
  - (3) A person who ceases to be engaged in insurable employment after having been insured for two years or more may, if he so desires, remain in insurance as a voluntary contributor.

*Contributions*.—"Employed Rate" applies to most cases.

	Men.	Women.
	Weekly.	
Employed ... ..	5d.	4d.
Employer ... ..	5d.	5d.

The State pays two-ninths of cost of benefits and administration.

## UNEMPLOYMENT INSURANCE.

### SCALE OF BENEFIT.

Man ... ..	15s. per week.	}	With additional 5s. for dependant wife or husband, and 1s. for each young child.
Woman ... ..	12s. "		
Boy, over 16 and under 18	7s. 6d. "		
Girl " " "	6s. "		

### CONTRIBUTIONS.

	Per week.	Men.	Women.	Boys.	Girls.
		d.	d.	d.	d.
Employer ... ..		10	8	5	4½
Employed ... ..		9	7	4½	4
State ... ..		6½	5½	3½	3½

## OLD AGE PENSIONS.

Payable to resident British subjects of 70 years of age and upwards, whose yearly means, on a statutory computation, do not exceed £49 17s. 6d., who are not inmates of a workhouse or other Poor Law institution (except, in certain conditions, for receipt of medical treatment), and are not disqualified for other reason, such as detention in prison or in a lunatic asylum.



**Insurance for All and Every...**

Where yearly means of claimant :	Rate of Pension.	Per Week Shillings.
Do not exceed £26 5s.	...	10
Exceed £26 5s., but do not exceed £31 10s.	...	8
" £31 10s. " " " "	£36 15s.	6
" £31 10s. " " " "	£42	4
" £42 " " " "	£47 5s.	2
" £47 5s. " " " "	£49 17s. 6d.	1
Exceed £49 17s. 6d.		No pension.

Acts of 1908, 1911, 1919 (Table is that of Schedule to 1919 Act.)

**WORKMEN'S COMPENSATION.****Benefits laid down by Workmen's Compensation Act, 1923.**

Includes all manual workers and non-manual workers, up to £350 per annum, with certain exceptions. Certain classes excluded from former Act now included, *e.g.* share fishermen, taxi-drivers, etc., under certain conditions.

	Minimum.	Maximum.
Death. Widow to receive	£200	to £300.

Widow with children, up to £600 in all, varying with the number and ages of the children.

**Total Incapacity.**—Half wages to a maximum of 30s. per week.

If less than 25s. receivable, a weekly addition is made of one-half of difference between amount receivable and 25s. or average weekly earnings (whichever is the less).

**Partial Incapacity.**

- If maximum in case of total incapacity would have been 25s. or more, payment equals half difference between *pre*-accident and *post*-accident weekly earnings.
- If maximum in case of total incapacity would have been less than 25s., payment equals a sum bearing same proportion to difference between *pre*- and *post*-accident earnings as maximum payment (total incapacity) bears to average weekly earnings before accident.

Compensation (death and serious and permanent disablement only) now provided where accident due to act contrary to orders but "for the purpose and in connection with the employer's trade or business."







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